

November 06, 2025

## Raghava Projects: Rating upgraded to [ICRA]BB+ (Stable); rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	0.00	300.00	[ICRA]BB+ (Stable); upgraded from [ICRA]BB (Stable); assigned for enhanced amount
Unallocated limits	225.00	0.00	-
<b>Total</b>	<b>225.00</b>	<b>300.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating upgrade of Raghava Projects (Raghava) factors in the steady progress in sales, collections and construction progress of the ongoing project – IRIS at Raidurg, Hyderabad, and the progress is expected to be adequate in medium term. Since project launch in September 2022, driven by favourable location, IRIS project witnessed cumulative sales of ~1.2 million square feet (msf) (~42% of developer’s share of 2.85 msf compared to 35% as of December 2024) with total sales value of Rs. 1,137 crore. The collections are expected to increase by 27-28% year-on-year (YoY) to Rs. 365-375 crore in FY2026 (FY2025: Rs. 286 crore). The project has recently tied-up term loan of Rs. 300 crore with tenure of five years. Further, the rating also factors in the favourable location of the Raghava IRIS project in Raidurg, Hyderabad. It is well-connected to the IT and commercial hubs such as Gachibowli and Madhapur, which enhances the marketability of the project.

The rating is, however, constrained by the company’s exposure to moderate market risks as the remaining area of 58% is yet to be sold as of August 2025. With a moderate cash flow adequacy<sup>1</sup> of 41% as of September 2025, timely sales of the remaining units will be critical as the remaining project cost is expected to be partly funded by incremental sales. IRIS is also exposed to residual execution risks associated with the project (~39% of construction cost incurred as of August 2025) due to limited track record of the promoters in completing large real estate projects. Further, it is exposed to geographical concentration risk as the ongoing project is limited to Hyderabad. The rating factors in the vulnerability of its sales to any downturn in real estate demand and stiff competition within the region from established real- estate developers.

The Stable outlook on the rating reflects ICRA’s opinion that the company will benefit from the favourable location and adequate sales velocity of the project.

### Key rating drivers and their description

#### Credit strengths

**Adequate sales and collections** – Raghava witnessed steady progress in sales, collections and construction progress of the ongoing project – IRIS at Raidurg, Hyderabad, and the progress is expected to be adequate in medium term. Since project launch in September 2022, driven by favourable location, IRIS witnessed cumulative sales of ~1.2 msf (~42% of developer’s share of 2.85 msf compared to 35% as of December 2024) with total sales value of Rs. 1,137 crore. The collections are expected to increase by 27-28% YoY to Rs. 365-375 crore in FY2026 (FY2025: Rs. 286 crore). The project has recently tied-up term loan of Rs. 300 crore with a tenure of five years.

<sup>1</sup> Cash flow adequacy = Committed receivables / (Outstanding debt + Pending cost)

**Favourable location of ongoing Project, IRIS** – At present, Raghava Projects is undertaking a major project called Raghava IRIS in Raidurg, Hyderabad. It is well-connected to the IT and commercial hubs such as Gachibowli and Madhapur, which enhances the marketability of the project.

### Credit challenges

**Exposed to moderate market and residual execution risks** – The company is exposed to moderate market risks as the remaining area of 58% is yet to be sold as of August 2025. With a moderate cash flow adequacy of 41% as of September 2025, timely sales of the remaining units will be critical as the remaining project cost is expected to be partly funded by incremental sales. IRIS is also exposed to execution risks associated with the project (~39% of construction cost incurred as of August 2025) due to limited track record of the promoters in completing large real estate projects

**Exposure to geographical concentration risk and cyclical in industry** – The real estate business, being a cyclical industry, is highly dependent on macroeconomic factors, which exposes the company’s sales vulnerable to any downturn in demand. The ongoing project is limited to the real estate market in Hyderabad, resulting in high geographical concentration risk. Further, the company has only one under-construction project in its portfolio exposing it to asset concentration.

### Liquidity position: Adequate

ICRA expects the company’s liquidity position to be adequate, with free cash and liquid balances of Rs. 13.2 crore and undrawn bank limits of Rs. 292 crore as of September 2025. It has committed receivables of Rs. 382 crore from the area sold, covering 41% of the pending cost and outstanding debt. Further, the principal repayments are scheduled to start in Q3 FY2029 which can be adequately serviced from the estimated cash flow from operations.

### Rating sensitivities

**Positive factors** – The rating may be upgraded, if there is a significant increase in sales and collections along with healthy construction progress, leading to an improvement in cash flows from operations, while maintaining adequate debt protection metrics on a sustained basis.

**Negative factors** – Negative pressure on the rating could emerge in case of significant delays in project execution and/or subdued sales and collections resulting in considerable reliance on debt and weakening of debt protection metrics on a sustained basis. Further, any incremental material loans and advances to group companies will be credit negative.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Realty (Commercial/Residential/Retail)</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Raghava Projects was incorporated on August 13, 2021, and is a partnership firm equally held between Mr. Harsha Reddy Ponguleti and Mr. Lohith Reddy Ponguleti. The company is currently developing a residential project – Raghava IRIS - with a total saleable area of 3.2 msf including the company's share of 2.8 msf.

### Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income	-	-
PAT	0.0	0.0
OPBDIT/OI	-	-
PAT/OI	-	-
Total outside liabilities/Tangible net worth (times)	7.9	14.4
Total debt/OPBDIT (times)	14.6	7.5
Interest coverage (times)	5.8	6.6

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

Current ratings (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	November 06, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based - Term loan	Long-term	300.00	[ICRA]BB+ (Stable)	-	-	Nov 06, 2023	[ICRA]BB (Stable)	-	-
Unallocated limits	Long-term	0.00	-	Feb 24, 2025	[ICRA]BB (Stable)	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	FY2026	-	FY2030	300.00	[ICRA]BB+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis – Not Applicable**

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